

Joint Legislative Informational Hearing: Assembly and Senate Health Committee 2027 “Essential Health Benefits” (EHB) Benchmark Options

Mary Watanabe, Director

Essential Health Benefits (EHBs)

- EHBs are the benefits that all non-grandfathered health plan contracts in the small group and individual market must cover under federal law and through requirements set forth in state statute.
- Must include benefits from all 10 categories of benefits.

EHB Categories

1. Ambulatory patient services
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services including behavioral health treatment
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management
10. Pediatric services, including oral and vision care

Essential Health Benefits

- Per federal requirements, states choose a “benchmark plan,” to establish the EHB benefits in that state.
- States could not select benefits ala carte—had to choose an existing plan product.
- California selected the 2014 Kaiser Foundation Health Plan Small Group HMO 30 plan to be California’s benchmark plan.
- Historically, a state must defray the costs of mandated benefits that “exceed EHB.”

Timeline

- June 27, 2024: First public meeting
- January 28, 2025: Second public meeting
- February 11, 2025: Legislative hearing
- Mid-February 2025: Finalize benefit decisions
- March 2025: First public comment period
- April 2025: Second public comment period (if needed)
- May 2025: Submit application to CMS
- January 1, 2027: Effective date of new benchmark plan